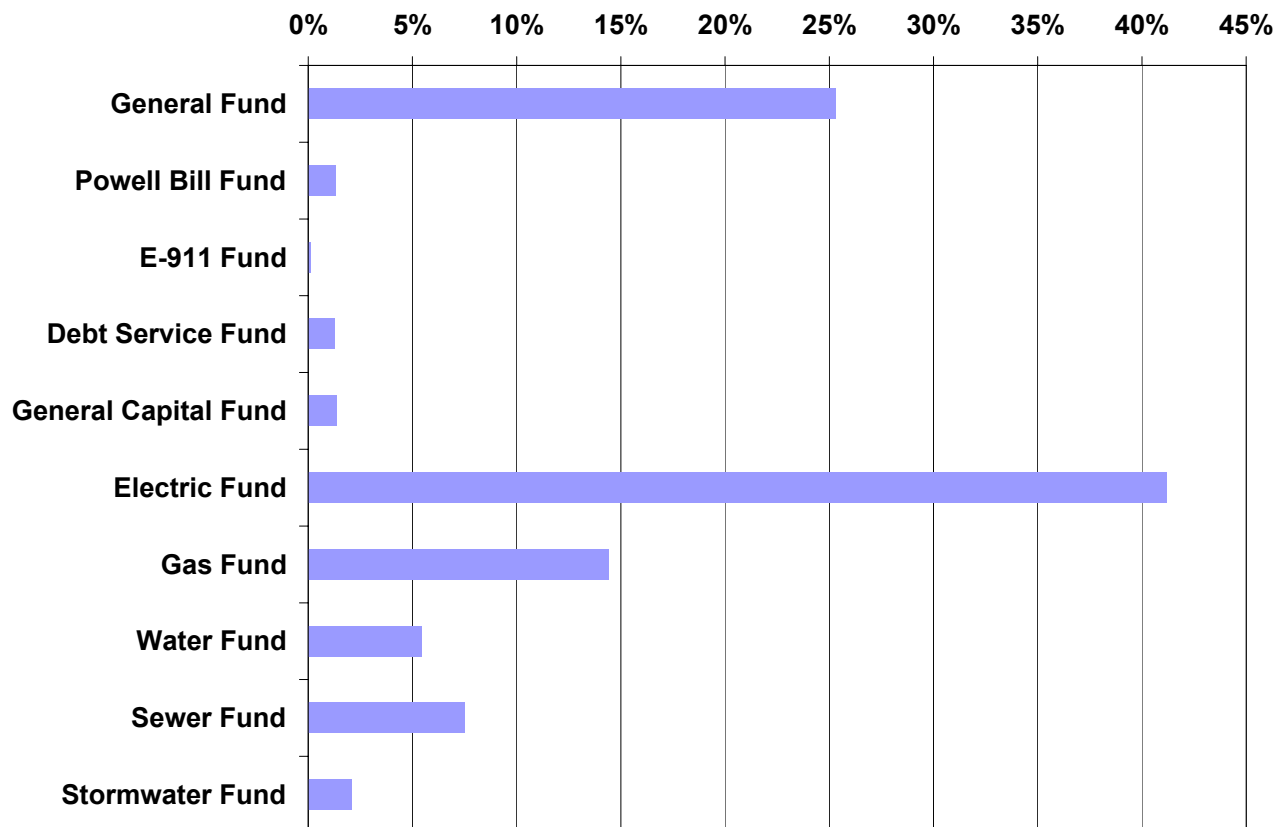


BUDGET IN BRIEF**Fund Summary**

The City of Rocky Mount's total operating budget for FY 2009 is \$211,049,660. This represents a 6.9% of the Adopted FY 2007-2008 Budget and a 1.9% of the Amended FY 2007-2008 Budget.

	FY2008 Adopted	FY2008 Amended	FY 2009 Proposed	Difference from Prior Adopted
General Fund	50,365,270	53,576,526	53,384,000	3,018,730
Powell Bill Fund	2,131,000	3,347,700	2,760,130	629,130
E-911 Fund	390,000	1,634,173	250,000	(140,000)
Debt Service Fund	2,631,285	2,631,285	2,704,030	72,745
General Capital Fund	1,825,000	2,083,569	2,909,000	1,084,000
Electric Fund	83,321,365	84,971,944	86,888,500	3,567,135
Gas Fund	30,049,968	30,220,654	30,447,000	397,032
Water Fund	10,453,731	11,046,356	11,505,000	1,051,269
Sewer Fund	12,793,636	13,483,002	15,802,000	3,008,364
Stormwater Fund	3,441,000	4,185,680	4,400,000	959,000
	197,402,255	207,180,889	211,049,660	13,647,405

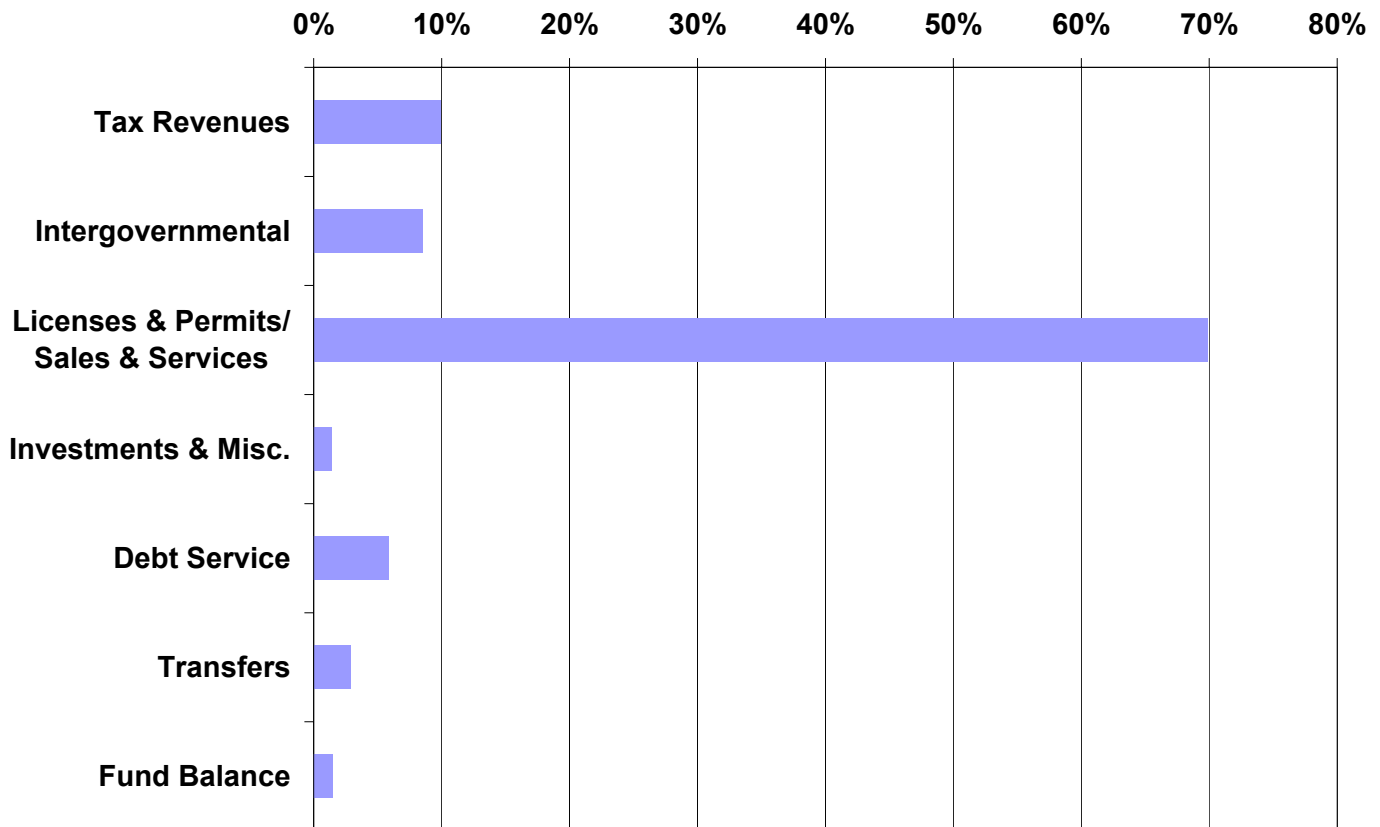
Share of Total FY 2009 Proposed Budget

BUDGET IN BRIEF

Revenue Comparison

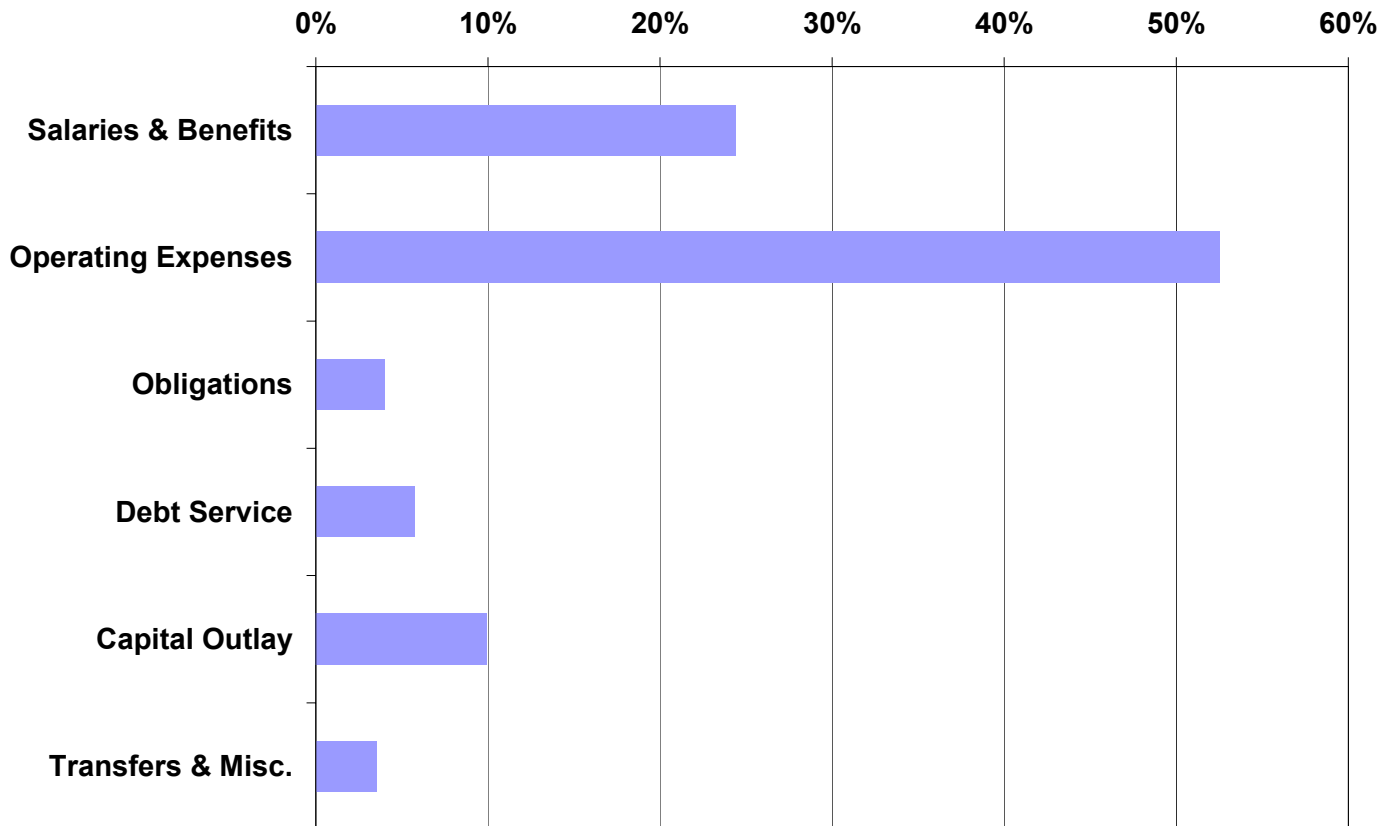
	Tax Revenues	Intergovern- mental	Licenses & Permits/ Sales & Services	Investments & Misc.	Debt Issued	Transfers	Fund Balance	Total
General Fund	20,817,160	14,461,610	9,278,510	1,718,920	1,807,800	3,050,000	2,250,000	53,384,000
Powell Bill Fund	-	2,238,800	21,330	100,000	-	-	400,000	2,760,130
E-911 Fund	-	250,000	-	-	-	-	-	250,000
Debt Service Fund	-	-	-	-	-	2,704,030	-	2,704,030
General Capital Fund	68,000	989,600	261,400	5,000	1,585,000	-	-	2,909,000
Electric Fund	-	-	83,573,500	450,000	2,865,000	-	-	86,888,500
Gas Fund	-	-	29,485,000	272,000	140,000	-	550,000	30,447,000
Water Fund	-	-	10,731,000	214,000	560,000	-	-	11,505,000
Sewer Fund	-	-	11,044,000	181,000	4,577,000	-	-	15,802,000
Stormwater Fund	-	100,000	3,050,000	95,000	855,000	300,000	-	4,400,000
	20,885,160	18,040,010	147,444,740	3,035,920	12,389,800	6,054,030	3,200,000	211,049,660

Share of Total FY 2009 Proposed Budget



BUDGET IN BRIEF**Expenditure Comparison**

	Salaries & Benefits	Operating Expenses	Obligations	Debt Service	Capital Outlay	Transfers & Misc.	Admin. Fees	Total
General Fund	38,991,120	12,996,540	6,160,280	3,471,240	2,465,500	2,084,420	(12,785,100)	53,384,000
Powell Bill Fund	-	375,000	-	-	1,785,130	300,000	300,000	2,760,130
E-911 Fund	-	-	200,000	-	50,000	-	-	250,000
Debt Service Fund	-	-	-	2,704,030	-	-	-	2,704,030
General Capital Fund	-	235,000	-	749,000	1,675,000	250,000	-	2,909,000
Electric Fund	4,630,290	68,645,130	855,500	1,210,260	5,478,000	2,550,000	3,519,320	86,888,500
Gas Fund	1,229,200	23,879,580	260,000	258,200	1,270,000	1,325,000	2,225,020	30,447,000
Water Fund	2,833,120	2,945,380	517,200	1,332,660	1,847,500	625,000	1,404,140	11,505,000
Sewer Fund	2,252,410	2,171,000	483,000	2,197,570	5,231,540	300,000	3,166,480	15,802,000
Stormwater Fund	1,932,850	492,400	7,300	257,850	1,336,000	50,000	323,600	4,400,000
	51,868,990	111,740,030	8,483,280	12,180,810	21,138,670	7,484,420	(1,846,540)	211,049,660

Share of Total FY 2009 Proposed Budget

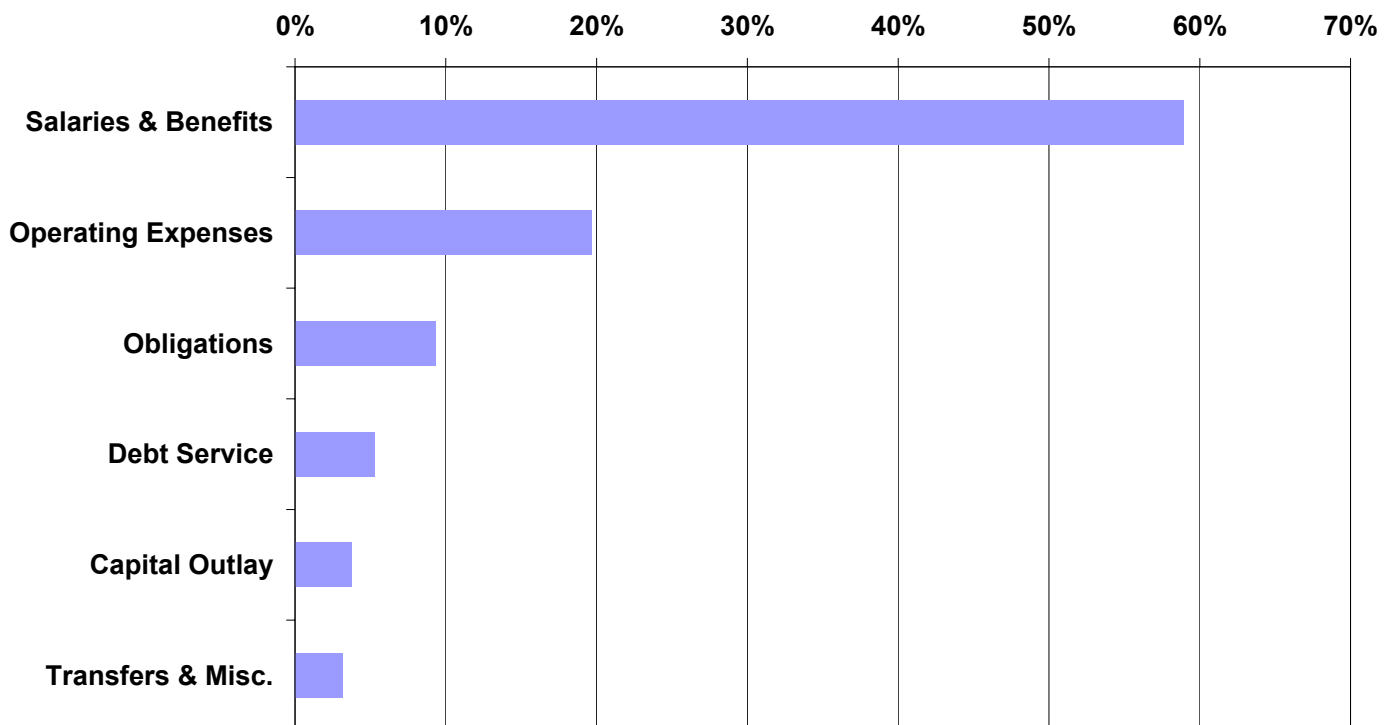
Note: The Administrative Service Fee reflects charges to other departments and funds for share of services provided and accounted for in various funds. They are usually considered negative revenue in order to avoid double-entry in total budget.

BUDGET IN BRIEF

General Fund Expenditure Comparison

	Salaries & Benefits	Operating Expenses	Obligations	Debt Service	Capital Outlay	Transfers & Misc.	Admin. Fees	Total
Mayor & City Council	112,630	1,395,500	760,920	-	-	423,920	(525,500)	2,167,470
City Clerk	217,960	38,000	4,000	-	16,000	-	(35,600)	240,360
City Manager	962,710	130,400	20,330	-	20,000	-	(279,200)	854,240
Human Resources	1,260,360	148,390	15,000	-	3,500	1,350,000	(544,600)	2,232,650
Human Relations	329,200	36,900	-	-	5,500	-	(99,300)	272,300
Finance	4,127,050	1,333,630	1,250,300	110,000	283,300	220,500	(5,953,100)	1,371,680
Central Services	557,000	763,900	170,400	-	63,800	-	(680,600)	874,500
Police	11,139,500	1,074,960	96,100	91,770	525,200	-	-	12,927,530
Fire	8,553,020	842,800	71,300	338,780	158,100	-	-	9,964,000
Public Works	5,044,150	4,775,110	3,259,800	812,340	1,269,000	30,000	(3,816,800)	11,373,600
Engineering	1,287,920	556,600	188,700	26,480	16,000	-	(857,900)	1,217,800
Parks & Recreation	3,980,790	1,764,500	317,430	2,091,870	101,100	-	7,500	8,263,190
Planning & CD	1,418,830	135,850	6,000	-	4,000	60,000	-	1,624,680
	38,991,120	12,996,540	6,160,280	3,471,240	2,465,500	2,084,420	(12,785,100)	53,384,000

Share of Total FY 2009 Proposed General Fund Budget



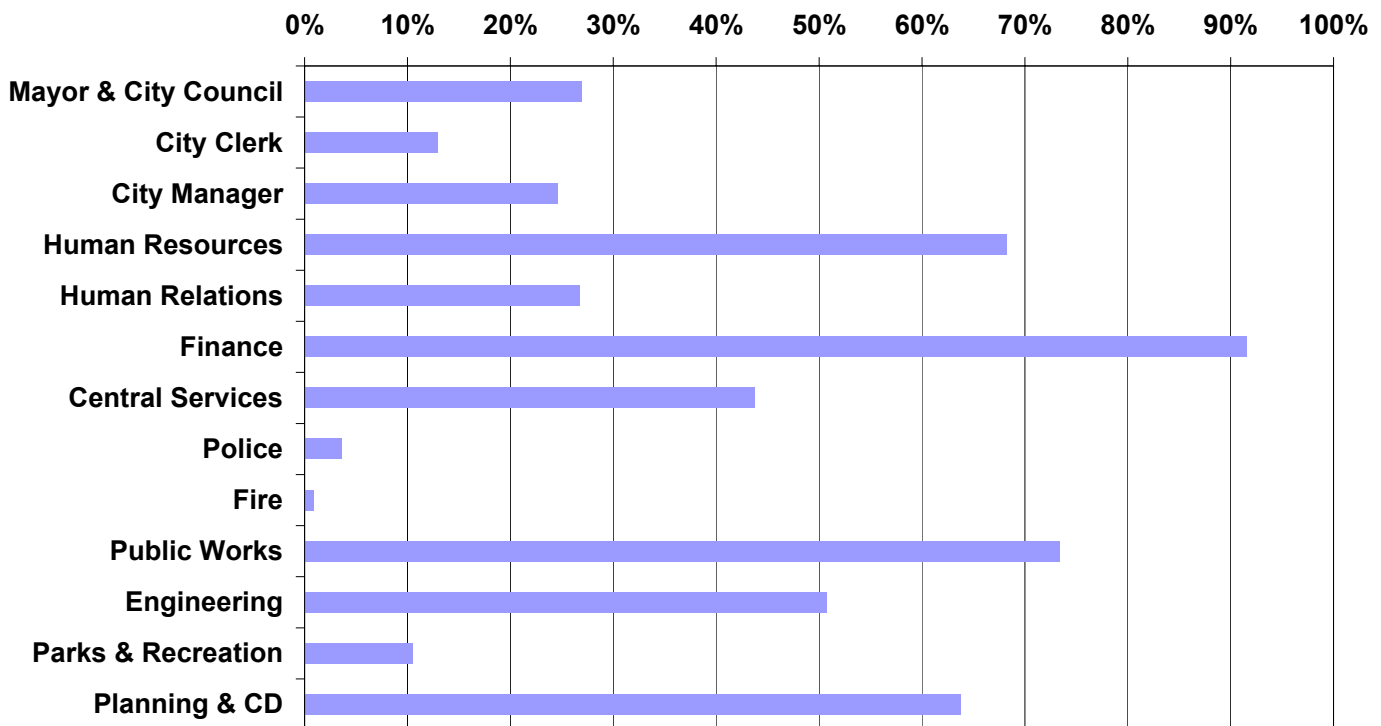
Note: The Administrative Service Fee reflects charges to other departments and funds for share of services provided and accounted for within the General Fund. They are usually considered negative revenue in order to avoid double-entry in total budget.

BUDGET IN BRIEF

General Fund Expenditure Recovery

	Total Expenditures	Admin. Fee	Operations Revenues	Grant Revenues	Debt Issued	Assigned Fund Balance	Total Recovery	% Recovery
Mayor & City Council	2,692,970	(525,500)	-	-	-	(200,000)	(725,500)	26.9%
City Clerk	275,960	(35,600)	-	-	-	-	(35,600)	12.9%
City Manager	1,133,440	(279,200)	-	-	-	-	(279,200)	24.6%
Human Resources	2,777,250	(544,600)	-	-	-	(1,350,000)	(1,894,600)	68.2%
Human Relations	371,600	(99,300)	-	-	-	-	(99,300)	26.7%
Finance	7,324,780	(5,953,100)	(13,000)	-	(742,800)	-	(6,708,900)	91.6%
Central Services	1,555,100	(680,600)	-	-	-	-	(680,600)	43.8%
Police	12,927,530	-	(465,250)	-	-	-	(465,250)	3.6%
Fire	9,964,000	-	(89,000)	-	-	-	(89,000)	0.9%
Public Works	15,190,400	(3,816,800)	(6,270,000)	-	(1,065,000)	-	(11,151,800)	73.4%
Engineering	2,075,700	(857,900)	(8,160)	(187,140)	-	-	(1,053,200)	50.7%
Parks & Recreation	8,255,690	7,500	(865,300)	(13,120)	-	-	(870,920)	10.5%
Planning & CD	1,624,680	-	(680,000)	(355,220)	-	-	(1,035,220)	63.7%
	66,169,100	(12,785,100)	(8,390,710)	(555,480)	(1,807,800)	(1,550,000)	(25,089,090)	37.9%

General Fund Departmental Expenditure Recovery



Note: Expenditures not recovered by administrative fees, department operating and grant revenues, debt issuance, or assignment of appropriated fund balance are paid for with other revenue sources, including taxes and transfers.

BUDGET IN BRIEF

Fund Balance Analysis

Governmental Funds

	General Fund	Powell Bill Fund	E-911 Fund	General Capital Fund
Revenues				
Tax Revenues	20,817,160	-	-	68,000
Intergovernmental	14,461,610	2,238,800	250,000	989,600
Licenses/Sales	9,278,510	21,330	-	261,400
Investments/Misc.	1,718,920	100,000	-	5,000
Debt Issued	1,807,800	-	-	1,585,000
Transfers	3,050,000	-	-	-
Fund Balance	2,250,000	400,000	-	-
	53,384,000	2,760,130	250,000	2,909,000

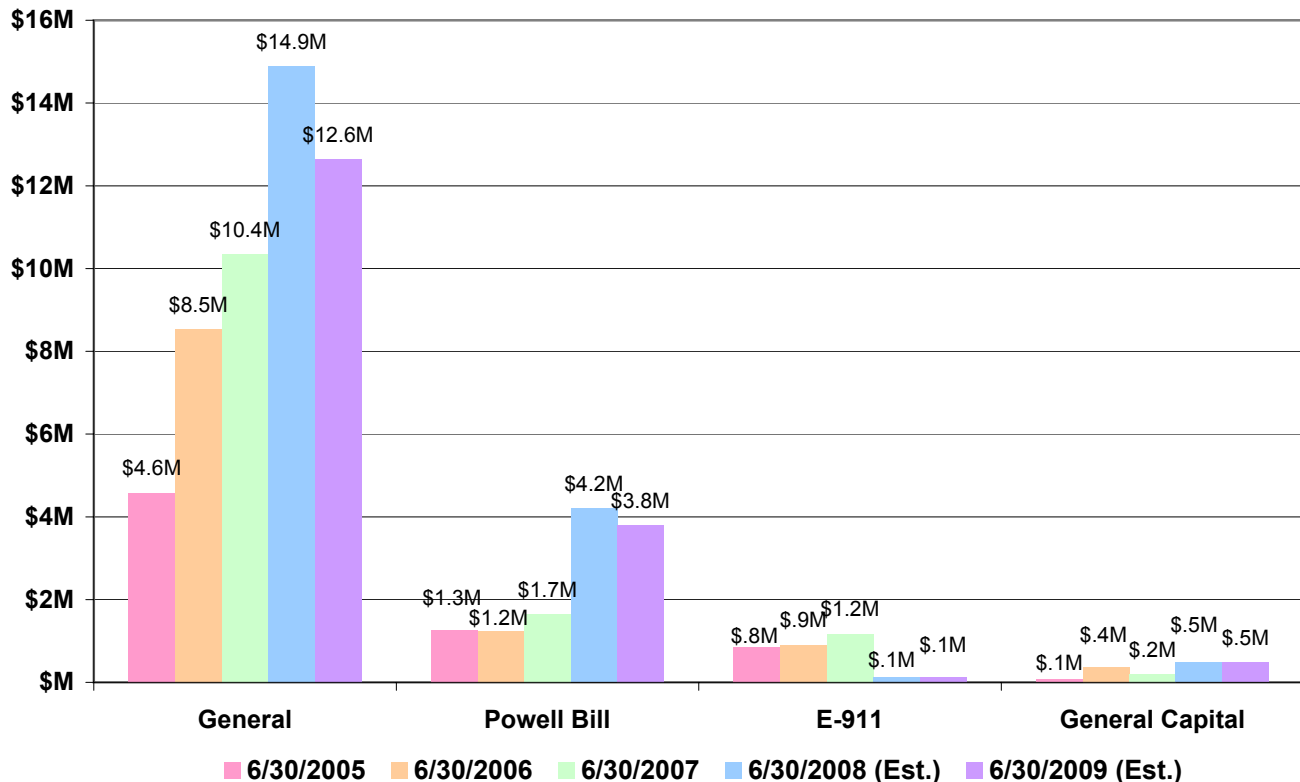
Expenditures

Salaries/Benefits	38,991,120	-	-	-
Operating	12,996,540	375,000	-	235,000
Obligations	6,160,280	-	200,000	-
Debt Service	3,471,240	-	-	749,000
Capital Outlay	2,465,500	1,785,130	50,000	1,675,000
Transfers/Misc.	2,084,420	300,000	-	250,000
Admin. Fees	(12,785,100)	300,000	-	-
	53,384,000	2,760,130	250,000	2,909,000

Fund Balance Analysis

Estimated Fund Balance 6/30/08	14,890,642	4,203,048	131,426	477,653
Revenues (w/o Transfers & FB)	48,084,000	2,360,130	250,000	2,909,000
Transfers In	3,050,000	-	-	-
Total	66,024,642	6,563,178	381,426	3,386,653
Expenditures (w/o Transfers)	51,299,580	2,460,130	250,000	2,659,000
Transfers Out	2,084,420	300,000	-	250,000
Total	53,384,000	2,760,130	250,000	2,909,000
Estimated Fund Balance 6/30/09	12,640,642	3,803,048	131,426	477,653
% of FY 2009 Adopted Budget	23.7%	137.8%	52.6%	16.4%

End of Fiscal Year Fund Balance



BUDGET IN BRIEF

Fund Balance Analysis

Enterprise Funds

	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Stormwater Fund
Revenues					
Tax Revenues	-	-	-	-	-
Intergovernmental	-	-	-	-	100,000
Licenses/Sales	83,573,500	29,485,000	10,731,000	11,044,000	3,050,000
Investments/Misc.	450,000	272,000	214,000	181,000	95,000
Debt Issued	2,865,000	140,000	560,000	4,577,000	855,000
Transfers	-	-	-	-	300,000
Fund Balance	-	550,000	-	-	-
	86,888,500	30,447,000	11,505,000	15,802,000	4,400,000

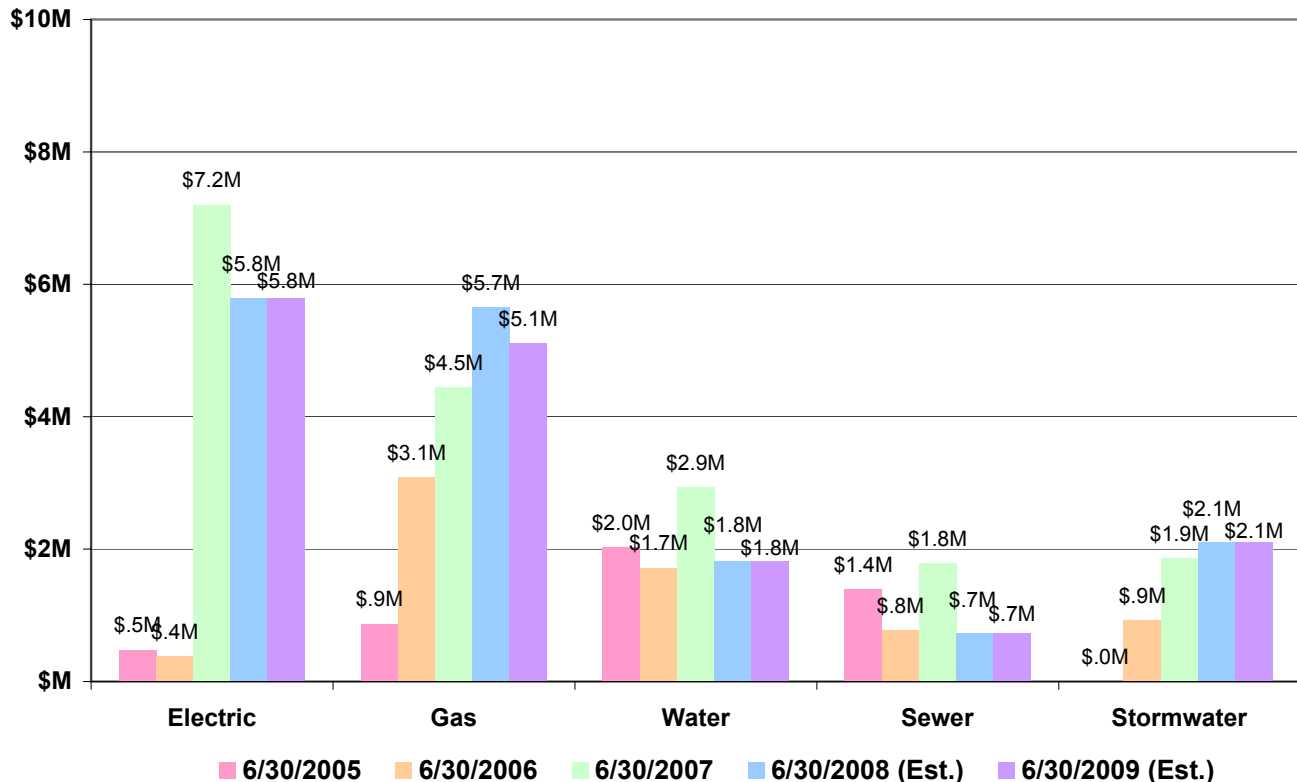
Expenditures

Salaries/Benefits	4,630,290	1,229,200	2,833,120	2,252,410	1,932,850
Operating	68,645,130	23,879,580	2,945,380	2,171,000	492,400
Obligations	855,500	260,000	517,200	483,000	7,300
Debt Service	1,210,260	258,200	1,332,660	2,197,570	257,850
Capital Outlay	5,478,000	1,270,000	1,847,500	5,231,540	1,336,000
Transfers/Misc.	2,550,000	1,325,000	625,000	300,000	50,000
Admin. Fees	3,519,320	2,225,020	1,404,140	3,166,480	323,600
	86,888,500	30,447,000	11,505,000	15,802,000	4,400,000

Fund Balance Analysis

Estimated Fund Balance 6/30/08	5,793,381	5,658,193	1,824,135	727,942	2,105,824
Revenues (w/o Transfers & FB)	86,888,500	29,897,000	11,505,000	15,802,000	4,100,000
Transfers In	-	-	-	-	300,000
Total	92,681,881	35,555,193	13,329,135	16,529,942	6,505,824
Expenditures (w/o Transfers)	84,338,500	29,122,000	10,880,000	15,502,000	4,350,000
Transfers Out	2,550,000	1,325,000	625,000	300,000	50,000
Total	86,888,500	30,447,000	11,505,000	15,802,000	4,400,000
Estimated Fund Balance 6/30/09	5,793,381	5,108,193	1,824,135	727,942	2,105,824
% of FY 2009 Adopted Budget	6.7%	16.8%	15.9%	4.6%	47.9%

End of Fiscal Year Fund Balance



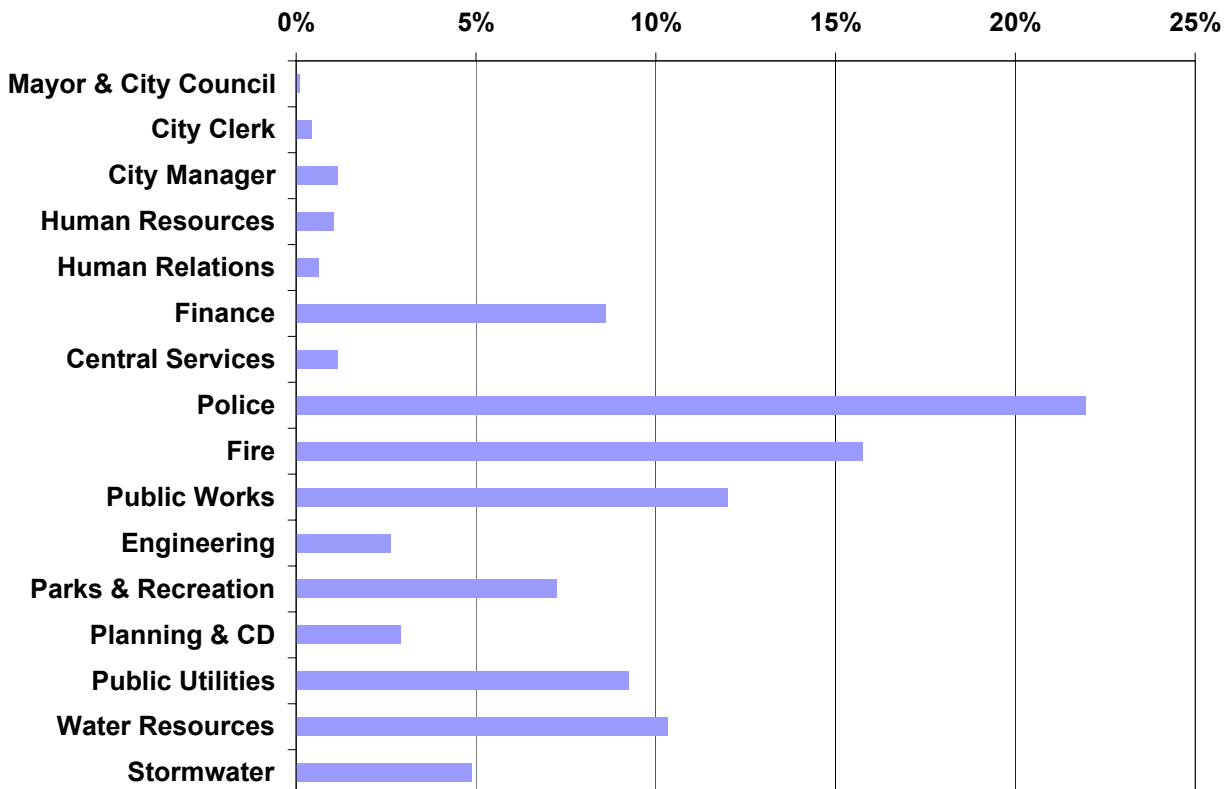
BUDGET IN BRIEF

Position Summary

The following is the staffing count for departments and operations part of the Proposed Annual Operating Budget. Information is now provided in both number and full time equivalent (FTE) value of permanent positions. This is done to properly value permanent part-time positions.

	FY 2007 Actual		FY 2008 Adopted		FY 2009 Proposed		Difference from Prior Adopted	
	# Pos.	FTE	# Pos.	FTE	# Pos.	FTE	# Pos.	FTE
Mayor & City Council	8	0.80	8	0.80	8	0.80	0	0.00
City Clerk	4	4.00	4	4.00	4	4.00	0	0.00
City Manager	12	11.00	12	11.00	12	11.00	0	0.00
Human Resources	10	10.00	10	10.00	10	10.00	0	0.00
Human Relations	6	6.00	7	7.00	6	6.00	(1)	(1.00)
Finance	80	80.00	80	80.00	82	82.00	2	2.00
Central Services	11	11.00	11	11.00	11	11.00	0	0.00
Police	200	200.00	204	204.00	209	209.00	5	5.00
Fire	147	147.00	147	147.00	150	150.00	3	3.00
Public Works	109	107.16	116	114.16	116	114.16	0	0.00
Engineering	24	24.00	24	24.00	25	25.00	1	1.00
Parks & Recreation	68	69.00	69	69.00	69	69.00	0	0.00
Planning & CD	28	26.00	28	26.50	30	27.50	2	1.00
Public Utilities	82	82.00	83	83.00	88	88.00	5	5.00
Water Resources	99	98.34	99	98.34	99	98.34	0	0.00
Stormwater	44	42.49	44	42.49	48	46.49	4	4.00
	932	918.79	946	932.29	967	952.29	21.00	20.00

Share of Staffing in FTE Value



REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
General Fund					
Tax Revenues					
Animal Tax	25,153	26,000	26,000	26,000	-
Current Property Tax	15,125,599	15,250,000	15,250,000	16,825,000	1,575,000
Payment in Lieu of Tax	1,145,500	1,177,700	1,177,700	1,196,160	18,460
Tax Penalty	192,441	175,000	175,000	195,000	20,000
Taxes Levied in Prior Years	421,523	350,000	350,000	400,000	50,000
Vehicle Taxes	1,750,136	2,100,000	2,100,000	2,175,000	75,000
	18,660,353	19,078,700	19,078,700	20,817,160	1,738,460
Intergovernmental					
ABC-Edgecombe	10,101	5,000	5,000	5,000	-
ABC-Nash	56,343	35,000	35,000	50,000	15,000
Cable Franchise Tax	462,762	479,300	479,300	510,000	30,700
Federal Highway Administration	133,901	187,140	187,140	187,140	-
Franchise Tax	1,794,469	1,900,000	1,900,000	2,050,000	150,000
Housing Authority	26,318	35,000	35,000	35,000	-
KAB Local Share	72,986	38,000	38,000	38,000	-
Local Grant	5,500	-	4,500	-	-
Local Option Sales-Edgecombe	2,301,709	2,466,000	2,466,000	2,575,000	109,000
Local Option Sales-Nash	6,812,469	6,935,000	6,935,000	7,175,000	240,000
Local Option Sales-Telecommunications	892,825	750,000	750,000	800,000	50,000
NCDOT-Grant	36,000	-	-	-	-
Parks-Grant	18,500	11,660	36,660	13,120	1,460
Police-Housing Authority Reimbursement	25,828	28,000	28,000	28,000	-
Police-NCC Reimbursement	1,400	-	-	2,250	2,250
Police-NRMS Reimbursement	196,241	183,000	183,000	200,000	17,000
Program Income	2,931	-	-	-	-
Rental Vehicles	51,506	46,000	46,000	48,000	2,000
Sales & Use Tax Refund	33,396	35,000	35,000	40,000	5,000
State Court Facility	135,502	155,000	155,000	155,000	-
State Court Officer	22,685	32,000	32,000	32,000	-
State Grant	-	-	22,000	-	-
State Grant-Div Crime Cntrl	2,026	-	-	-	-
State Grant-Environment Healt	-	8,100	11,401	8,100	-
Traffic Maintenance Charge	315,754	200,000	200,000	220,000	20,000
Wine And Beer	254,360	270,000	270,000	290,000	20,000
	13,665,512	13,799,200	13,854,001	14,461,610	662,410
Licenses & Permits					
Fire-Other Fees	4,384	12,400	12,400	12,400	-
Fire-Permits	74,424	89,000	89,000	89,000	-
Housing Code	93,824	120,000	120,000	10,000	(110,000)
License Fee-Motor Vehicle	200,215	200,000	200,000	210,000	10,000
License Fees	613,035	650,000	650,000	660,000	10,000
Privilege Fee	89,987	100,000	100,000	100,000	-
Zoning	17,105	-	-	10,000	10,000
	1,092,974	1,171,400	1,171,400	1,091,400	(80,000)

REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
Sales & Services					
Assessment on Demolitions	32,156	40,000	40,000	40,000	-
Building Rentals	270,999	239,600	239,600	230,600	(9,000)
Community Code	3,000	-	1,000	-	-
Engineering	48,585	-	-	8,160	8,160
Interest On Assessments	7,625	-	-	-	-
Lot Rentals	64	-	-	-	-
Parking	10,507	10,100	10,100	10,100	-
Parks-Activity Fees	469,566	482,800	482,800	500,000	17,200
Parks-Cemetery	175,644	180,000	180,000	180,000	-
Parks-Contributions	5,750	-	68,211	-	-
Parks-Grant	10,000	-	-	-	-
Parks-Other	1,494	-	-	-	-
Parks-Rental	57,304	45,100	45,100	42,600	(2,500)
Parks-Sales	58,153	55,700	55,700	53,500	(2,200)
Parks-Sports Complex	111,057	85,000	107,500	121,000	36,000
Police-Animal Shelter	11,449	15,000	15,000	15,000	-
Police-Expense Recovery	10,264	-	-	-	-
Police-Fingerprinting	6,951	5,000	5,000	5,500	500
Police-Other Fees	14,618	-	-	8,000	8,000
Police-Parking Citations	7,521	6,500	6,500	9,000	2,500
Police-Safelight	283,703	194,400	194,400	195,000	600
Reconnection	320,410	300,000	300,000	300,000	-
Sale of Fixed Assets	67,900	325,000	325,000	80,000	(245,000)
Sale of Materials	27,546	41,000	41,000	52,000	11,000
Solid Waste-Commercial	740,580	800,000	800,000	800,000	-
Solid Waste-Other	859	-	-	-	-
Solid Waste-Recycling	360,410	372,000	372,000	385,000	13,000
Solid Waste-Residential	2,056,534	2,100,000	2,100,000	2,425,000	325,000
Solid Waste-Transfer Station	2,260,304	2,400,000	2,400,000	2,600,000	200,000
Solid Waste-Weed Control	44,118	53,000	53,000	60,000	7,000
Street Expense Recovery	(1,724)	-	-	-	-
Street Repair Service	320	-	-	-	-
Telephone-Commissions	370	-	-	-	-
Train Station Recovery	66,215	60,000	60,000	66,650	6,650
Zoning	3,300	-	-	-	-
	7,543,550	7,810,200	7,901,911	8,187,110	376,910
Investments					
Interest	874,589	750,000	750,000	775,000	25,000
Interest/Penalty	23,829	24,000	24,000	26,000	2,000
	898,418	774,000	774,000	801,000	27,000

REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
Miscellaneous					
Contributions from Cable Provider	23,181	20,000	20,000	20,000	-
Engineering	4,200	-	-	-	-
Entitlement Program	277,274	355,220	355,220	355,220	-
Excess Utility Tax	413,633	400,000	400,000	435,000	35,000
Fire-Miscellaneous	1,339	-	-	-	-
Indirect Cost Reimbursement	54	-	-	-	-
Insurance Settlements	2,969	-	-	-	-
Insurance Settlements-Wrecked	9,525	11,000	11,000	11,000	-
Miscellaneous Revenue	53,766	100,000	100,000	90,000	(10,000)
Parks-Other	5,234	2,200	64,700	2,200	-
Police-Miscellaneous	10,104	-	-	2,500	2,500
Returned Checks	2,175	2,000	2,000	2,000	-
	803,454	890,420	952,920	917,920	27,500
Debt Service					
Lease Proceeds	682,000	2,003,000	2,003,000	1,807,800	(195,200)
	682,000	2,003,000	2,003,000	1,807,800	(195,200)
Transfers					
Interfund Transfer	2,500,000	3,138,350	3,142,240	2,950,000	(188,350)
Interfund Transfer-Community Development	-	-	1,244,173	-	-
Interfund Transfer-Dev Capital	-	-	158,663	-	-
Interfund Transfer-Economic Development	126,957	-	-	-	-
Interfund Transfer-Emergency Telephone	425,000	100,000	100,000	100,000	-
Interfund Transfer-Transit	4,342	-	-	-	-
	3,056,299	3,238,350	4,645,076	3,050,000	(188,350)
Fund Balance					
Fund Balance Appropriated	-	1,600,000	3,195,518	2,250,000	650,000
	-	1,600,000	3,195,518	2,250,000	650,000
Fund Total	46,402,560	50,365,270	53,576,526	53,384,000	3,018,730
Powell Bill Fund					
Intergovernmental					
NCDOT Grant	1,725,365	1,802,000	1,844,000	2,025,000	223,000
Powell Bill Allocation	122,707	204,000	204,000	213,800	9,800
	1,848,072	2,006,000	2,048,000	2,238,800	232,800
Sales & Services					
Assessment-Streets	22,143	25,000	25,000	21,330	(3,670)
Interest On Assessments	1,503	-	-	-	-
	23,646	25,000	25,000	21,330	(3,670)
Investments					
Interest	167,585	100,000	100,000	100,000	-
	167,585	100,000	100,000	100,000	-
Fund Balance					
Fund Balance Appropriated	-	-	1,174,700	400,000	400,000
	-	-	1,174,700	400,000	400,000
Fund Total	2,039,303	2,131,000	3,347,700	2,760,130	629,130

REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>E911 Fund</u>					
Intergovernmental					
E911	232,780	225,000	225,000	250,000	25,000
E911-Wireless	166,202	130,000	130,000	-	(130,000)
	398,982	355,000	355,000	250,000	(105,000)
Investments					
Interest	55,978	35,000	35,000	-	(35,000)
	55,978	35,000	35,000	-	(35,000)
Fund Balance					
Fund Balance Appropriated	-	-	1,244,173	-	-
	-	-	1,244,173	-	-
Fund Total	454,961	390,000	1,634,173	250,000	(140,000)
<u>Debt Service Fund</u>					
Transfers					
Interfund Transfer-Electric	894,850	321,889	321,889	507,010	185,121
Interfund Transfer-Gas	238,630	85,837	85,837	135,200	49,363
Interfund Transfer-Sewer	1,289,805	1,265,360	1,265,360	1,154,020	(111,340)
Interfund Transfer-Water	1,036,483	958,199	958,199	907,800	(50,399)
	3,459,768	2,631,285	2,631,285	2,704,030	72,745
Fund Total	3,459,768	2,631,285	2,631,285	2,704,030	72,745
<u>General Capital Projects Fund</u>					
Tax Revenues					
Special District Tax	66,315	68,000	68,000	68,000	-
Vehicle Taxes	1,386	-	-	-	-
	67,701	68,000	68,000	68,000	-
Intergovernmental					
Federal Grant	65,726	50,000	50,000	-	(50,000)
Lease Shared Cost	-	376,000	376,000	363,000	(13,000)
Local Option Tax	870,000	626,600	626,600	626,600	-
State Grant	6,319	-	-	-	-
	942,045	1,052,600	1,052,600	989,600	(63,000)
Sales & Services					
Solid Waste-Transfer Station	262,400	262,400	262,400	261,400	(1,000)
	262,400	262,400	262,400	261,400	(1,000)
Investments					
Interest	6,955	2,000	2,000	5,000	3,000
	6,955	2,000	2,000	5,000	3,000
Debt Service					
Lease Proceeds	350,000	440,000	440,000	1,585,000	1,145,000
	350,000	440,000	440,000	1,585,000	1,145,000
Transfers					
Interfund Transfer-General	100,000	-	200,000	-	-
Interfund Transfer-Powell Bill	68,000	-	-	-	-
	168,000	-	200,000	-	-
Fund Balance					
Fund Balance Appropriated	-	-	58,569	-	-
	-	-	58,569	-	-
Fund Total	1,797,102	1,825,000	2,083,569	2,909,000	1,084,000

REVENUES BY FUND

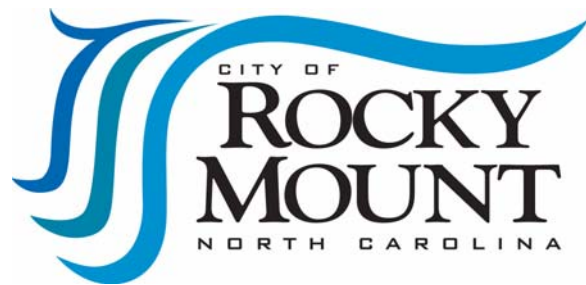
	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>Electric Fund</u>					
Sales & Services					
Bad Debt Collection	314,644	155,000	155,000	227,500	72,500
Cash Over/Short	(4,539)	-	-	-	-
Expense Recovery	440,024	410,000	410,000	460,000	50,000
Insurance Settlements	238,986	-	-	-	-
Radio Service	305,141	307,700	307,700	301,000	(6,700)
Returned Checks	42,150	35,000	35,000	35,000	-
Sale of Materials & Inventory	243,289	-	-	-	-
Telephone Service	474,470	520,000	520,000	550,000	30,000
Utility Sales	81,020,266	80,450,000	80,450,000	82,000,000	1,550,000
	83,074,431	81,877,700	81,877,700	83,573,500	1,695,800
Investments					
Interest	228,769	60,000	60,000	175,000	115,000
Interest/Penalty	281,788	272,665	272,665	275,000	2,335
	510,557	332,665	332,665	450,000	117,335
Miscellaneous					
Miscellaneous Revenue	313	-	-	-	-
	313	-	-	-	-
Debt Service					
Lease Proceeds	100,000	1,111,000	1,111,000	2,865,000	1,754,000
	100,000	1,111,000	1,111,000	2,865,000	1,754,000
Fund Balance					
Fund Balance Appropriated	-	-	1,650,579	-	-
	-	-	1,650,579	-	-
Fund Total	83,685,301	83,321,365	84,971,944	86,888,500	3,567,135
<u>Gas Fund</u>					
Sales & Services					
Bad Debt Collection	(128)	-	-	-	-
Expense Recovery	(11,912)	10,000	10,000	10,000	-
Returned Checks	550	-	-	-	-
Utility Sales	29,526,454	29,275,000	29,275,000	29,475,000	200,000
	29,514,963	29,285,000	29,285,000	29,485,000	200,000
Investments					
Interest	203,376	150,000	150,000	187,000	37,000
Interest/Penalty	104,511	85,000	85,000	85,000	-
	307,886	235,000	235,000	272,000	37,000
Debt Service					
Lease Proceeds	177,000	205,000	205,000	140,000	(65,000)
	177,000	205,000	205,000	140,000	(65,000)
Fund Balance					
Fund Balance Appropriated	-	324,968	495,654	550,000	225,032
	-	324,968	495,654	550,000	225,032
Fund Total	29,999,850	30,049,968	30,220,654	30,447,000	397,032

REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>Water Fund</u>					
Sales & Services					
Expense Recovery	14,823	-	-	-	-
Frontage Fee	9,785	50,000	50,000	50,000	-
Insurance Settlements	-	-	-	-	-
Interest On Assessments	6,394	-	-	4,000	4,000
Privilege Fee	26,622	20,000	20,000	20,000	-
Rents	29,445	28,000	28,000	28,000	-
Returned Checks	2,625	-	-	2,000	2,000
Service Taps	13,825	17,000	17,000	17,000	-
Utility Sales	9,323,877	9,890,000	9,890,000	10,600,000	710,000
	9,427,396	10,005,000	10,005,000	10,721,000	716,000
Investments					
Interest	155,748	72,000	72,000	95,000	23,000
Interest/Penalty	52,550	35,000	35,000	50,000	15,000
	208,298	107,000	107,000	145,000	38,000
Miscellaneous					
Miscellaneous Revenue	84,285	54,872	54,872	69,000	14,128
	84,285	54,872	54,872	69,000	14,128
Debt Service					
Lease Proceeds	-	-	-	560,000	560,000
	-	-	-	560,000	560,000
Transfers					
Assessment-Water & Sewer	6,758	10,000	10,000	10,000	-
Interfund Transfer-Sewer	-	-	356,000	-	-
	6,758	10,000	366,000	10,000	-
Fund Balance					
Fund Balance Appropriated	-	276,859	513,484	-	(276,859)
	-	276,859	513,484	-	(276,859)
Fund Total	9,726,736	10,453,731	11,046,356	11,505,000	1,051,269

REVENUES BY FUND

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>Sewer Fund</u>					
Sales & Services					
Assessment-Water & Sewer	(199)	50,000	50,000	20,000	(30,000)
Bad Debt Collection	(109)	-	-	-	-
Contributions	-	250,000	250,000	-	(250,000)
Expense Recovery	14,823	-	-	-	-
Frontage Fee	6,521	20,000	20,000	20,000	-
Interest On Assessments	11,556	-	-	-	-
Pretreatment Fees	3,945	-	-	-	-
Service Taps	4,658	4,000	4,000	4,000	-
Utility Sales	10,522,925	11,000,000	11,000,000	11,000,000	-
	10,564,119	11,324,000	11,324,000	11,044,000	(280,000)
Investments					
Interest	35,720	30,000	30,000	30,000	-
Interest/Penalty	41,919	40,000	40,000	41,000	1,000
	77,638	70,000	70,000	71,000	1,000
Miscellaneous					
Miscellaneous Revenue	49,059	114,636	114,636	110,000	(4,636)
	49,059	114,636	114,636	110,000	(4,636)
Debt Service					
Lease Proceeds	-	1,285,000	1,285,000	4,577,000	3,292,000
Loan Proceeds	3,089,059	-	-	-	-
	3,089,059	1,285,000	1,285,000	4,577,000	3,292,000
Fund Balance					
Fund Balance Appropriated	-	-	689,366	-	-
	-	-	689,366	-	-
Fund Total	13,779,875	12,793,636	13,483,002	15,802,000	3,008,364
<u>Stormwater Fund</u>					
Sales & Services					
Expense Recovery	(4,790)	-	-	-	-
Utility Sales	2,666,750	2,712,000	2,712,000	3,050,000	338,000
	2,661,959	2,712,000	2,712,000	3,050,000	338,000
Investments					
Interest	104,033	61,000	61,000	80,000	19,000
Interest/Penalty	18,071	11,000	11,000	15,000	4,000
	122,103	72,000	72,000	95,000	23,000
Debt Service					
Lease Proceeds	241,000	357,000	357,000	855,000	498,000
	241,000	357,000	357,000	855,000	498,000
Transfers					
Interfund Transfer-General	110,000	-	-	-	-
Interfund Transfer-Powell Bill	400,000	300,000	300,000	300,000	-
	510,000	300,000	300,000	300,000	-
Fund Balance					
Fund Balance Appropriated	-	-	744,680	-	-
	-	-	744,680	-	-
Fund Total	3,535,063	3,441,000	4,185,680	4,300,000	859,000



EXPENDITURES BY FUND & DEPARTMENT

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
General Fund					
Mayor & City Council					
Mayor & City Council	517,667	1,446,034	1,244,901	1,398,630	(47,404)
Community Services	1,040,269	769,030	2,776,105	768,840	(190)
	1,557,935	2,215,064	4,021,006	2,167,470	(47,594)
City Clerk					
City Clerk	218,646	219,042	222,652	240,360	21,318
	218,646	219,042	222,652	240,360	21,318
City Managers Office					
City Managers Office	531,899	560,437	581,137	597,400	36,963
Public Affairs	95,038	130,729	166,429	137,090	6,361
Downtown Development	101,577	115,115	139,615	119,750	4,635
	728,514	806,281	887,181	854,240	47,959
Human Resources					
Human Resources	672,219	1,457,607	1,457,607	2,232,650	775,043
	672,219	1,457,607	1,457,607	2,232,650	775,043
Human Relations					
Human Relations	226,417	299,036	240,236	272,300	(26,736)
	226,417	299,036	240,236	272,300	(26,736)
Finance					
Finance Administration	51,255	203,231	131,065	330,460	127,229
Accounting	84,971	128,775	128,375	128,400	(375)
Purchasing	85,015	95,620	95,620	108,530	12,910
Business Office	-	116,473	49,908	34,680	(81,793)
Information Systems	-	48,830	630,491	769,610	720,780
	221,241	592,929	1,035,459	1,371,680	778,751
Central Services					
Print Shop	58,661	25,500	72,141	89,000	63,500
Property Management	397,272	474,984	436,343	519,000	44,016
Judicial Center	219,065	236,710	245,710	266,500	29,790
	674,998	737,194	754,194	874,500	137,306
Police					
Police Administration	596,804	681,792	709,238	772,400	90,608
Police-Administrative Services	973,005	1,699,560	1,657,314	1,975,170	275,610
Police-Staff Services	1,725,761	1,957,919	1,896,469	2,101,170	143,251
Police-Uniformed Operations	6,676,583	6,500,118	6,721,323	6,488,720	(11,398)
Police-Investigative Operations	1,220,838	1,440,277	1,367,997	1,590,070	149,793
	11,192,991	12,279,666	12,352,341	12,927,530	647,864
Fire					
Fire Administration	555,869	558,945	593,445	712,400	153,455
Fire-Operations	7,645,396	7,839,373	8,122,278	8,351,910	512,537
Fire-Life Safety & Emergency Management	556,088	593,627	602,322	502,100	(91,527)
Fire-Support Services	382,892	393,694	379,594	397,590	3,896
	9,140,245	9,385,639	9,697,639	9,964,000	578,361

EXPENDITURES BY FUND & DEPARTMENT

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
Public Works					
Public Works Administration	189,975	200,871	214,347	184,390	(16,481)
Streets & Right of Way	1,615,735	2,256,137	2,218,961	2,272,880	16,743
Fleet Maintenance	311,067	449,570	509,070	432,450	(17,120)
Environmental Services	5,997,595	7,545,652	7,649,122	7,572,330	26,678
Community Code	909,289	838,490	923,189	911,550	73,060
	9,023,661	11,290,720	11,514,689	11,373,600	82,880
Engineering					
Engineering Administration	480,109	542,307	523,862	544,580	2,273
Engineering Traffic	529,907	642,141	697,258	673,220	31,079
	1,010,016	1,184,448	1,221,120	1,217,800	33,352
Parks & Recreation					
Parks & Recreation Administration	336,671	323,778	336,274	353,800	30,022
Athletics	493,548	459,706	457,043	457,320	(2,386)
Amusements & Special Events	124,996	123,425	125,388	126,020	2,595
Neighborhood Programs	531,439	547,163	572,720	593,930	46,767
Senior Programs	876,704	565,012	581,399	572,520	7,508
Cemetery	383,965	403,600	383,956	398,820	(4,780)
Outdoor Programs	246,210	233,380	235,130	252,170	18,790
Parks Maintenance	1,515,655	1,643,054	1,637,404	1,646,830	3,776
Museum	420,800	493,773	493,773	491,250	(2,523)
Cultural Arts	682,596	687,713	709,532	653,310	(34,403)
Sports Complex	1,421,846	1,392,241	1,414,741	1,339,320	(52,921)
Imperial Centre Buildings	1,484,204	1,368,331	1,472,027	1,377,900	9,569
	8,518,633	8,241,176	8,419,387	8,263,190	22,014
Planning & Development					
Planning Administration	436,234	490,820	509,820	580,300	89,480
Inspections	591,893	750,428	731,428	690,430	(59,998)
Community Development	346,217	415,220	511,767	353,950	(61,270)
	1,374,343	1,656,468	1,753,015	1,624,680	(31,788)
Fund Total	44,559,859	50,365,270	53,576,526	53,384,000	3,018,730
Powell Bill Fund					
Powell Bill					
Powell Bill	2,056,200	2,131,000	3,347,700	2,760,130	629,130
	2,056,200	2,131,000	3,347,700	2,760,130	629,130
Fund Total	2,056,200	2,131,000	3,347,700	2,760,130	629,130
E911 Fund					
E911 Maintenance					
Emergency Telephone	264,657	390,000	1,634,173	250,000	(140,000)
	264,657	390,000	1,634,173	250,000	(140,000)
Fund Total	264,657	390,000	1,634,173	250,000	(140,000)

EXPENDITURES BY FUND & DEPARTMENT

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>Debt Service Fund</u>					
Debt Service					
Debt Service	3,459,768	2,631,285	2,631,285	2,704,030	72,745
	3,459,768	2,631,285	2,631,285	2,704,030	72,745
Fund Total	3,459,768	2,631,285	2,631,285	2,704,030	72,745
<u>General Capital Projects Fund</u>					
General Capital					
Capital Downtown Development	82,157	-	51,569	-	-
Capital General Projects	35,234	105,000	105,950	275,000	170,000
Capital Police	-	-	218,100	75,000	75,000
Capital Fire	875,842	455,000	447,000	910,000	455,000
Capital Neighborhood Programs	29,622	-	-	-	-
Capital Cultural Arts	964,130	1,165,000	1,164,050	1,489,000	324,000
Capital Economic Development	36,654	100,000	96,900	160,000	60,000
	2,023,639	1,825,000	2,083,569	2,909,000	1,084,000
Fund Total	2,023,639	1,825,000	2,083,569	2,909,000	1,084,000
<u>Electric Fund</u>					
Public Utilities					
Public Utilities Administration	308,438	365,821	365,821	389,070	23,249
Communications	609,791	692,643	692,643	767,510	74,867
Electric Distribution	77,449,257	77,331,755	77,816,494	78,561,290	1,229,535
Energy Services	1,270,400	1,580,204	1,674,796	2,085,740	505,536
Electric Engineering	-	1,274,942	1,257,342	1,469,890	194,948
Electric Capital	1,424,357	2,076,000	3,164,848	3,615,000	1,539,000
	81,062,243	83,321,365	84,971,944	86,888,500	3,567,135
Fund Total	81,062,243	83,321,365	84,971,944	86,888,500	3,567,135
<u>Gas Fund</u>					
Public Utilities					
Gas Distribution	27,971,886	29,149,968	29,238,968	29,367,000	217,032
Gas Capital	758,644	900,000	981,686	1,080,000	180,000
	28,730,530	30,049,968	30,220,654	30,447,000	397,032
Fund Total	28,730,530	30,049,968	30,220,654	30,447,000	397,032
<u>Water Fund</u>					
Water Resources					
Water Resources Administration	-	-	28,000	-	-
Technical Services	-	-	-	-	-
Water Treatment	6,626,010	7,022,659	7,128,604	7,353,680	331,021
Water Services	2,407,438	2,486,072	2,439,472	2,486,320	248
Water Capital	2,377,344	945,000	1,450,280	1,665,000	720,000
	11,410,792	10,453,731	11,046,356	11,505,000	1,051,269
Fund Total	11,410,792	10,453,731	11,046,356	11,505,000	1,051,269

EXPENDITURES BY FUND & DEPARTMENT

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Amended	FY 2009 Adopted	Difference
<u>Sewer Fund</u>					
Water Resources					
Wastewater Treatment	7,038,665	7,791,050	7,754,851	7,545,000	(246,050)
Sewer Services	2,434,388	2,766,586	3,069,969	3,022,260	255,674
Sewer Capital	4,642,171	2,236,000	2,658,182	5,234,740	2,998,740
	14,115,223	12,793,636	13,483,002	15,802,000	3,008,364
Fund Total	14,115,223	12,793,636	13,483,002	15,802,000	3,008,364
<u>Stormwater Fund</u>					
Stormwater					
Stormwater Administration	670,722	717,401	711,651	640,960	(76,441)
Stormwater Operations	2,106,051	2,073,599	2,093,849	2,569,040	495,441
Stormwater Capital	498,166	650,000	1,380,180	1,190,000	540,000
	3,274,939	3,441,000	4,185,680	4,400,000	959,000
Fund Total	3,274,939	3,441,000	4,185,680	4,400,000	959,000

REVIEW OF SELECT REVENUES

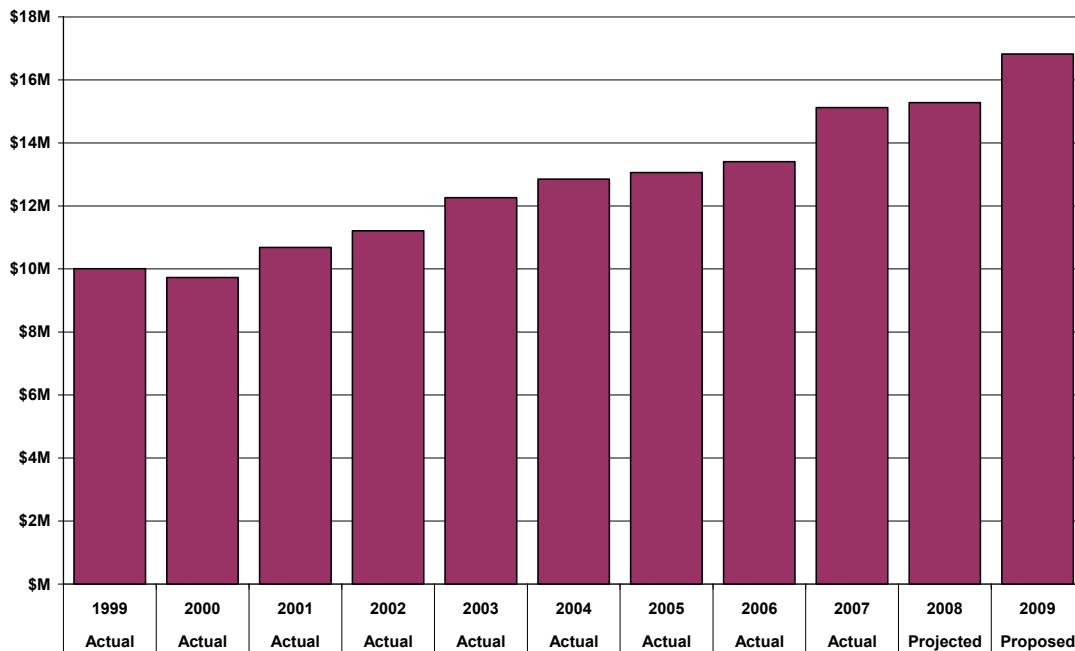
Revenues are estimated using a variety of methods and factors. The estimates were prepared using actual prior year amounts, projected collections for FY 2008, and trend analysis. Other factors were evaluated to determine their effect on the revenue amounts. These include anticipated changes in type or legal requirements of particular revenue, review of general economic conditions, impact of planned annexation, and analysis of the trends and conditions affecting particular revenue. Below, is a review of basic revenue groups and specific revenue types within each group.

Ad Valorem Tax

These revenues are all those collected based on the City of Rocky Mount's levy. These include Inventory Tax, Property or Ad Valorem Tax, Vehicle Tax and Tax Penalties.

Ad Valorem Tax is based on the property valuation as determined by the Nash and Edgecombe County Tax Assessors with the City's proposed levy of \$.58 per \$100 of valuation. Historically, the City has collected an average of approximately 97% of the levied tax.

Current Ad Valorem Tax Collection



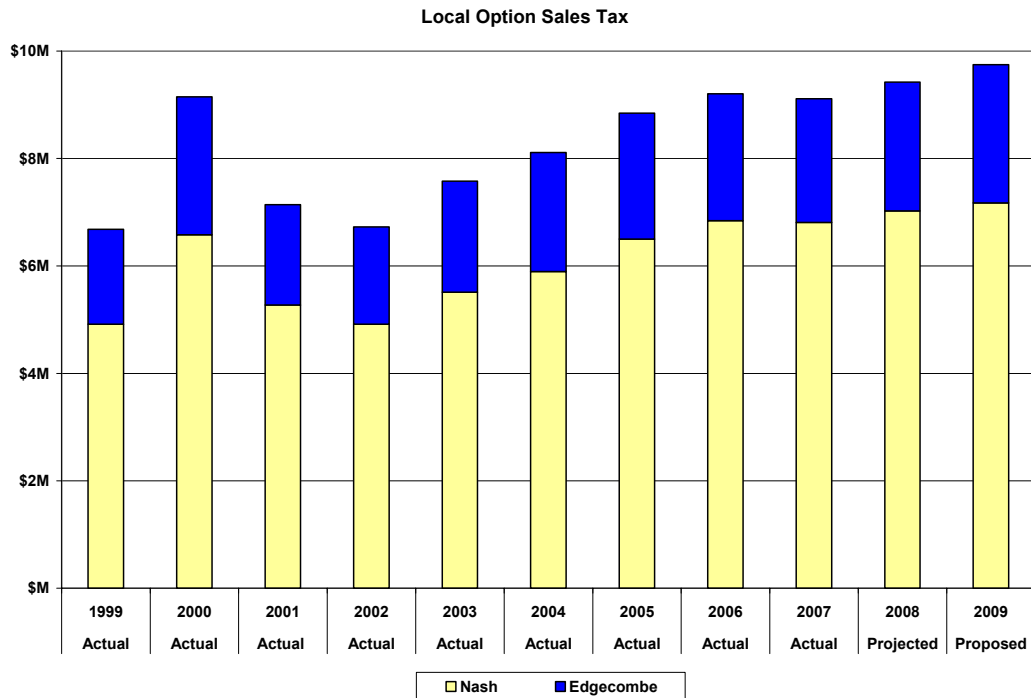
In Lieu of Tax is a payment from an Enterprise Fund that approximates the amount of ad valorem tax that would have been paid had utility service been provided by an investor-owned utility. The In Lieu Tax payment amount is calculated based on the gross fixed assets of the Enterprise Funds as reported in the City's most recent audited financial statement and the current tax rate. This In Lieu of Tax payment is required under the City's Utility Transfer Policy.

REVIEW OF SELECT REVENUES

Income from Other Governments

These revenues are those received from other governmental units. Among these revenues are local option sales tax, franchise tax, beer and wine tax, Powell Bill proceeds and State and Federal Grants.

Local Option Sales Tax is collected by authority of the General Statutes by both Nash and Edgecombe Counties. Previously, the two half cent sales tax portions were dedicated to water and sewer system improvements. This dedication requirement has expired and all Local Option Sales Tax is now budgeted in the General Fund or the General Capital Fund. On an annualized basis, Local Option Sales Tax is estimated to increase no more than 2% in FY 2009, though additional increases are anticipated because of adjustments due to annexation.



The State of North Carolina levies a **franchise tax** on electric, and natural gas service provided within the city limits of each City. This Franchise Tax is remitted back to the city from the state in quarterly payments. Due to its link to utility sales, this revenue is very sensitive to the weather. The City is projecting Franchise Tax to increase 2% to 3% for FY 2009. Along with this revenue is a tax on telecommunication service. There is no expected growth in the telecommunications tax, except that caused by annexation.

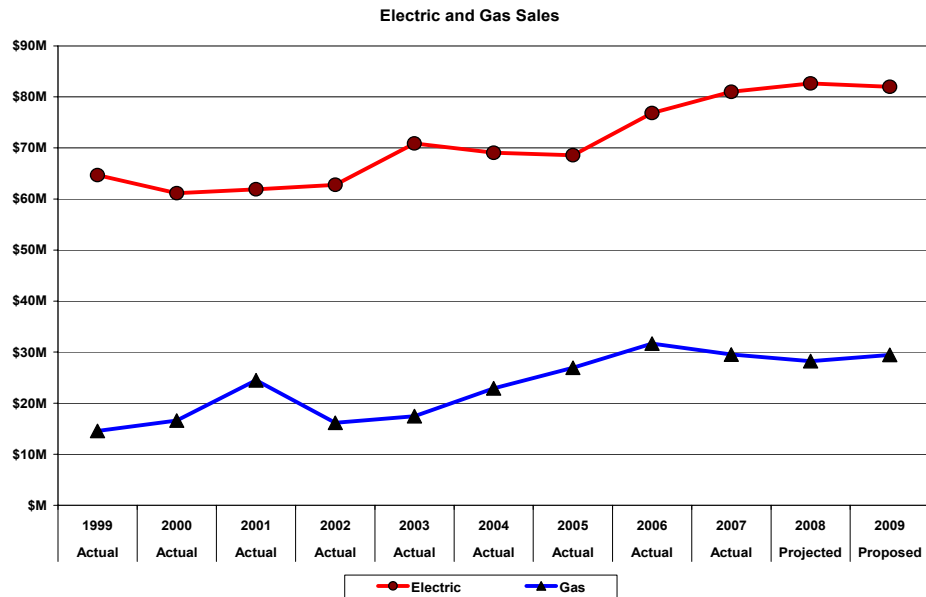
Powell Bill revenues are received from the State of North Carolina's gasoline tax. The funds are used for street and sidewalk construction and maintenance purposes as well as drainage improvements. The State of North Carolina has previously used funds from the Highway Trust Fund to balance the State budget, reducing funds available to local governments, but no similar action is expected this year.

REVIEW OF SELECT REVENUES

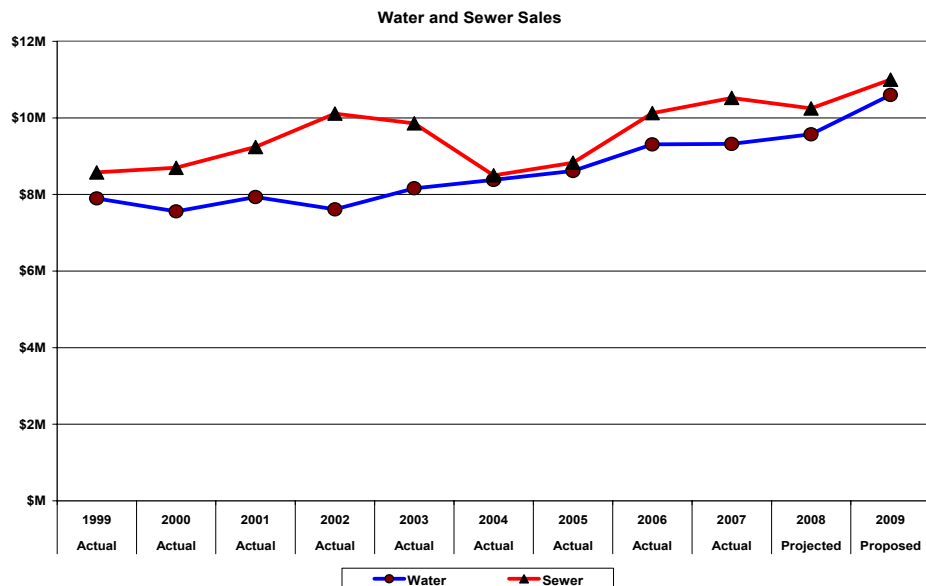
Charges for Services

These revenues include electric, gas, water, sewer and stormwater service revenues as well as building permit recreation fees and solid waste disposal monthly service charges.

Electric and Gas sales revenues are particularly difficult to forecast, as they are highly sensitive to the weather. These two utilities have seen some system growth, though the City lost some large utility customers in the past few years. Considering demand and the cost of purchased energy, the budget includes utility sales of \$80,450,000 in the Electric Fund and \$29,475,000 in the Gas Fund.



Water and Sewer sales are heavily impacted by usage, which was significantly reduced in the current year due in large part to conservation measures implemented in response to last year's drought. If conditions do not require similar measures in the coming year, usage will increase, though it is uncertain whether they will return to past levels, as customers develop strategies to reduce their usage in the long term. This year, the budget includes no water and sewer rate increases. We anticipate water sales of \$10,600,000 and sewer sales of \$11,000,000.



REVIEW OF SELECT REVENUES

Transfers from Other Funds

These are amounts that are transferred from one City fund to another. Below is an explanation of significant transfers.

An **Operating Transfer** is made by each enterprise fund (Electric, Gas, Water and Sewer) to the General Fund to represent a return on the investment of the utility. Typically, these transfers are made within the following guidelines:

- Electric Fund -- the amount transferred shall not exceed 3% of the gross fixed assets.
- Gas Fund -- the amount transferred shall not exceed 75% of the Income before Transfers
- Water Fund -- the amount transferred shall not exceed 50% of the Income before transfers.

Finally, the enterprise funds make **transfers** to the **Debt Service Fund** to cover the City's long term debt payments as well as the payments to the Nash-Rocky Mount Board of Education as a result of consolidation.

Other Revenues

Other Revenues include interest income, lease purchase proceeds, assessments, privilege licenses and revenues not classified above. Each of these revenues is evaluated individually and forecasted using a review of actual amounts, trend analysis and information on growth and changes in billing or collection method.

Fund Balance Appropriated

The appropriation of fund balance is necessary to balance projected revenues and expenditures. The level of appropriation is determined by the difference between recommended expenditures and estimated revenues for the upcoming fiscal year. The amount of appropriated fund balance changes from year to year.

ECONOMIC SUMMARY

Services provided by any institution, including local government, are heavily influenced by surrounding economic conditions. In the case of the City of Rocky Mount, the impact of developing trends on local, regional, national, and global levels can have profound effect on our ability to maintain a high quality of performance in City operations, both with respect to general government and utilities.

The following economic observations are utilized in the development of revenue projections and funding priorities for the Proposed Annual Operating Budget. City staff monitor these indicators on a regular basis in order to evaluate our position with respect to meeting budgeted revenues levels and remain within spending limits. When potential disparities are identified, action is taken to modify operations or financial planning in a manner that maximizes service quality. This can include transferring appropriations from other accounts on the basis of priority, reducing overall spending to reflect actual revenues, and deferring projects until financial conditions improve. If absolutely necessary, alternative funding measures, including increased appropriations from fund balance, are available.

Material Prices/Inflation

The traditional measures of inflation are the Consumer Price Index (CPI) for personal spending and the Producer Price Index (PPI) for businesses. These indicators are updated monthly by the Bureau of Labor Statistics, a division of the United States Department of Commerce.

Both indices are calculated by surveying the cost of goods and services that comprise a “shopping cart” for both individuals and businesses. The aggregate CPI is provided for both all consumers and those in non-salary (wage) or clerical positions. This is based on their assumption that these two groups possess different spending habits.

The chart below contains the aggregate CPI and PPI indices with respect to their annual rate of change (inflation indicator), as well as similar information on select items from their cost surveys that are for special consideration with respect to local consumer focus and indication of impact on the cost of City services. CPI information is also available specifically on a regional basis.

(As of March 2008)

	Annual Change (%)		Annual Change (%)
Consumer Price Index (CPI)		Producer Price Index (PPI)	
National	4.0%	Finished Goods	6.9%
South Region (All Customers)	4.4%	Intermediate Goods	10.5%
South Region (Non-Salary/Clerical)	4.8%	Crude Goods	31.4%
Notable CPI Components		Notable PPI Components	
Motor Fuel	26.4%	Gasoline	36.4%
Public Transportation	7.5%	Soaps/Detergents	4.4%
Food	4.5%	Tires & Tubes	6.6%
Housing (Overall)	3.0%	Motor Vehicle Parts	0.9%
Housing Rent	3.6%	Phosphates (Chemicals)	53.9%
Household Energy (Overall)	6.8%	Cement	3.2%
Household Electricity/Natural Gas	4.1%	Asphalt	2.9%
		Sand, Gravel, Crushed Stone	7.9%
		Construction Equipment	2.3%

ECONOMIC SUMMARY

Current measures indicate significant increases in materials used to provide essential City services, especially fuel, treatment chemicals, and road maintenance and construction supplies. These increases are comparable, though not exact, with current and projected budget levels for related accounts.

While the CPI and PPI provide important information on inflation, the Municipal Cost Index (MCI) is often used to provide an aggregate measure of inflation with respect to the elements of government expenditures. This measure is provided monthly by *American City & County*, and incorporates the CPI, PPI, and a Construction Cost Index derived from an evaluation of construction-related materials.

(As of April 2008)		
	Change from 1	Change from 2
	Year (%)	Years (%)
Municipal Cost Index (MCI)	4.8%	7.5%

Fuel

Localized measures are available for examining the retail price of motor fuel, both unleaded gasoline and diesel. One such measure is the Fuel Gauge Report updated daily by the American Automobile Association (AAA) for several metropolitan areas.

(As of May 13, 2008 - Raleigh Metropolitan Area)			
	Current	One Year	
	Price	Ago	Change (%)
Regular Unleaded	\$3.74	\$2.96	26.4%
Diesel	\$4.38	\$2.91	50.5%

The City purchases fuel on the wholesale level in bulk supplies for use at pumps operated by Fleet Maintenance. However, retail prices strongly reflect proportional changes in wholesale bulk pricing.

Compensation

National and Regional information on changes in employee compensation are made available through the Employee Cost Index (ECI) published by the Bureau of Labor Statistics.

(As of March 2008)	
	Annual Change (%)
National Aggregate	3.3%
Wages	3.2%
Benefits	3.5%
Select Industries	
Manufacturing	2.9%
Health Care	3.3%
Education	3.6%
Service	3.4%
Local Government	3.5%
South Atlantic Region	3.7%

ECONOMIC SUMMARY

Unemployment

The Bureau of Labor Statistics publishes monthly reports on unemployment on the national aggregate, state aggregate, and local metropolitan area levels. Rocky Mount has the benefit of being a specific Metropolitan Statistical Area, which allows us to obtain a specific measure of our performance in this area.

Metropolitan Employment/Unemployment Statistics (for March 2008)

MSA	Unemployment Rate			Rank
	March 2007	March 2008	Change	
North Carolina (Statewide)	4.4%	5.2%	18.18%	
Asheville	3.6%	4.4%	22.22%	3
Burlington	4.9%	5.4%	10.20%	10
Charlotte-Gastonia-Concord	4.3%	5.2%	20.93%	8
Durham	3.6%	4.2%	16.67%	2
Fayetteville	5.1%	5.4%	5.88%	10
Goldsboro	4.2%	4.9%	16.67%	6
Greensboro-High Point	4.6%	5.3%	15.22%	9
Greenville	4.7%	5.7%	21.28%	12
Hickory-Lenoir-Morganton	5.6%	6.4%	14.29%	13
Jacksonville	4.1%	4.8%	17.07%	4
Raleigh-Cary	3.4%	4.0%	17.65%	1
Rocky Mount	5.8%	7.3%	25.86%	14
Wilmington	3.7%	4.8%	29.73%	4

As the table indicates, Rocky Mount has the highest unemployment rate in the state for metropolitan areas. This does have a significant impact on our economy and tax base with respect to per capita income, retail sales, housing values, and other factors.

Housing Prices

A strong indication of the health of the local real estate market is the average price for housing sales. For 2007, the average sale price in Rocky Mount was approximately \$117,549, a 1.1% decrease from 2006. This is likely indicative of the overall slowdown in the national housing market resulting from tightening of credit and increased foreclosure and default activity.

Conclusion

In the past, Rocky Mount experienced economic trends in a manner that provided a "lag time" following their presence on the national level. This enabled the City to prepare a response with respect to financial operations and ensuring delivery of essential government services. However, changes in the economic landscape have brought Rocky Mount and everyone else closer together with respect to the influence of national and global events. This is particularly true with regard to the price of fuel and other materials, which are heavily impacted by tightening supply and growing international demand.

Unemployment and housing information indicate that local economic activity is slowing and below levels achieved elsewhere in North Carolina. This can put significant pressure on the City's fiscal health, as it limits the ability to generate revenue from current sources sufficient to cover costs associated with both existing services and expansions desired by residents. Comprehensive evaluation and prioritization of government operations, updated to reflect constant change in our new economic climate, are critical to future continuance of the City's strong financial condition.

